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## NOTICE TO CLAIMANTS

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the “Payless Canada Entities”) and/or their Directors or Officers**

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### RE: NOTICE OF CLAIMS PROCEDURE AND CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the “**Claims Procedure Order**”) in proceedings in respect of the Payless Canada Entities pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The Court has ordered that the Court-appointed Monitor of the Payless Canada Entities, FTI Consulting Canada Inc. (in such capacity, the “**Monitor**”), assist the Payless Canada Entities with conducting a claims procedure (the “**Claims Procedure**”) with respect to claims against the Payless Canada Entities and their present and former Directors and Officers (“**Directors/Officers**”). The Monitor is required to send Claim Document Packages to the Payless Canada Entities' Known Claimants. All capitalized terms herein shall have the meanings given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's Website at <http://cfcanada.fticonsulting.com/paylesscanada/>.

#### **A. Submission of Proof of Claim**

With the exception of Listed Claimants (as defined below), all persons wishing to assert a Claim against the Payless Canada Entities or the Directors/Officers must file a Proof of Claim with the Monitor.

**THE CLAIMS BAR DATE is 11:59 p.m. (Central Time) on June 7, 2019.** Proofs of Claim in respect of Prefiling Claims and Director/Officer Claims must be completed and filed with the Monitor on or before the Claims Bar Date.

**THE RESTRUCTURING PERIOD CLAIMS BAR DATE is 11:59 p.m. (Central Time) on the date that is the later of (i) the Claims Bar Date and (ii) thirty (30) days after the date on which the Monitor sends a Claim Document Package with respect to a Restructuring Period Claim (the “Restructuring Period Claims Bar Date”).** Proofs of Claim in respect of Restructuring Period Claims must be completed and filed with the Monitor on or before the Restructuring Period Claims Bar Date.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING PERIOD CLAIMS BAR DATE, AS APPLICABLE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan, if any, or otherwise in respect of such Claims.

Reference should be made to the enclosed material for the complete definitions of “Claim”, “Prefiling Claim”, “Restructuring Period Claim” and “Director/Officer Claim” to which the Claims Procedure applies.

#### **B. Listed Claimants Receiving a Claim Statement**

Certain Known Claimants of the Payless Canada Entities (each a “**Listed Claimant**”) will receive a Claim Statement from the Monitor specifying the classification, amount and nature of such party’s Claim as determined by the Payless Canada Entities, in consultation with the Monitor, based on the books and records of the Payless Canada Entities (the “**Listed Claim**”).

If you receive a Claim Statement and you do not dispute the classification, amount or nature of the Listed Claim, you are not required to take any further action or to file a Proof of Claim with the Monitor in the Claims Procedure Order.

If you wish to dispute the classification, amount and/or nature of the Listed Claim set forth in the Claim Statement or to assert an additional Claim in relation to any of the Payless Canada Entities other than the Listed Claim, you are required to deliver a Notice of Dispute of Claim Statement to the Monitor so that it is received by the Monitor by no later than the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable.

If a completed Notice of Dispute of Claim Statement in respect of a Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

#### **C. Monitor Contact Information**

The Monitor can be contacted at the following address to request a Claim Document Package or for any other notices or enquiries with respect to the Claims Procedure:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101  
E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

DATED at Toronto, Ontario this 26<sup>th</sup> day of April, 2019.

FTI Consulting Canada Inc.,  
solely in its capacity as Monitor of  
the Payless Canada Entities, and not  
in its personal capacity.

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## INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the “Payless Canada Entities”) and/or their Directors or Officers**

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### D. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made April 24, 2019 (the “**Claims Procedure Order**”), the Court-appointed Monitor of the Payless Canada Entities, FTI Consulting Canada Inc. (in such capacity, the “**Monitor**”), has been authorized to assist the Payless Canada Entities in conducting a claims procedure (the “**Claims Procedure**”) with respect to claims against the Payless Canada Entities and their present or former Directors and Officers (“**Directors/Officers**”) in accordance with the terms of the Claims Procedure Order.

A similar claims process has also been established by the U.S. Bankruptcy Court with respect to the U.S. Debtors other than the Payless Canada Entities (the “**Chapter 11 Claims Procedure**”). The Order of the U.S. Bankruptcy Court granted in respect of the Chapter 11 Claims Procedure provides that it does not apply to the Payless Canada Entities or claims against the Payless Canada Entities, other than certain limited matters relating to notice and coordination. The Claims Procedure Order governs all claims against the Payless Canada Entities.

Unless otherwise defined, all capitalized terms used herein shall have the meanings given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's Website at <http://cfcanada.fticonsulting.com/paylesscanada/>.

This letter provides instructions for responding to or completing the Proof of Claim or a Notice of Dispute of Claim Statement. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever against the Payless Canada Entities or the Directors/Officers of the Payless Canada Entities, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of “Claim”, “Prefiling Claim”, “Restructuring Period Claim” and “Director/Officer Claim” to which the Claims Procedure applies.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101  
E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

## **E. FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM**

Unless you are a Listed Claimant (as defined below), if you believe that you have a Claim against the Payless Canada Entities or the Directors or Officers of any of the Payless Canada Entities, you must file a Proof of Claim with the Monitor.

If a Chapter 11 Proof of Claim relating to the Payless Canada Entities is inadvertently filed in accordance with the Chapter 11 Claims Procedure (including by the claims bar dates specified therein) as if such procedure otherwise applied to the Payless Canada Entities, the Chapter 11 Proof of Claim will be deemed to have been filed with the Monitor in accordance with the Claims Procedure. If both a Proof of Claim and Chapter 11 Proof of Claim are timely filed, the Proof of Claim delivered in accordance with the Claims Procedure shall govern.

All **Proofs of Claim for Prefiling Claims** (i.e., Claims against the Payless Canada Entities arising prior to the Filing Date) and all **Director/Officer Claims** must be received by the Monitor **before 11:59 p.m. (Central Time) on June 7, 2019** (the “**Claims Bar Date**”).

All **Proofs of Claim for Restructuring Period Claims** (i.e. Claims against the Payless Canada Entities arising on or after the Filing Date) must be received by the Monitor **before 11:59 p.m. (Central Time)** on the date that is **the later of (i) the Claims Bar Date and (ii) thirty (30) days after the date on which the Monitor sends a Claim Document Package with respect to a Restructuring Period Claim** (the “**Restructuring Period Claims Bar Date**”).

**PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR RESTRUCTURING PERIOD CLAIMS BAR DATE, AS APPLICABLE, OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan or otherwise in respect of such Claims.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the date of the Initial Order.

Additional Proof of Claim forms can be obtained by contacting the Monitor at the telephone numbers and address indicated above and providing particulars as to your name, address and facsimile number or email mail address. Additional Proofs of Claim and related materials may be accessed from the Monitor's Website at <http://cfcanada.fticonsulting.com/paylesscanada/>.

## **F. FOR CLAIMANTS WHO RECEIVE A CLAIM STATEMENT**

Certain Known Claimants of the Payless Canada Entities (each a “**Listed Claimant**”) will receive a Claim Statement from the Monitor specifying the classification, amount and nature of such Claimant's Claim as determined by the Payless Canada Entities, in consultation with the Monitor, based on the books and records of the Payless Canada Entities (the “**Listed Claim**”).

If you receive a Claim Statement and you do not dispute the classification, amount or nature of the Listed Claim, you are not required to take any further action or to file a Proof of Claim with the Monitor in the Claims Procedure Order.

If you wish to dispute the classification, amount and/or nature of the Listed Claim set forth in the Claim Statement or to assert an additional Claim in relation to the Payless Canada Entities other

than the Listed Claim, you are required to deliver a Notice of Dispute of Claim Statement to the Monitor so that it is actually received by the Monitor by no later than the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable.

If a completed Notice of Dispute of Claim Statement in respect of a Listed Claim is not received by the Monitor by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, the Claimant shall be forever barred from disputing the classification, amount or nature of the Listed Claim and any Claim of a different classification or nature or in excess of the amount specified in the Listed Claim shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF CLAIM STATEMENT IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

DATED at Toronto, Ontario this 26<sup>th</sup> day of April 2019

FTI Consulting Canada Inc.,  
solely in its capacity as Monitor of  
the Payless Canada Entities, and not  
in its personal capacity.



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**PROOF OF CLAIM**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

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Please read carefully the enclosed Instruction Letter for completing this Proof of Claim. All capitalized terms not defined herein have the meanings given to such terms in the Claims Procedure Order dated April 24, 2019.

**I. PARTICULARS OF CLAIMANT:**

1. 1. Full Legal Name of Claimant: \_\_\_\_\_ (the "Claimant")

1. Full Mailing Address of the Claimant:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Telephone Number: \_\_\_\_\_

3. E-Mail Address: \_\_\_\_\_

4. Facsimile Number: \_\_\_\_\_

5. Attention (*Contact Person*): \_\_\_\_\_

6. Have you acquired this Claim by assignment?

Yes:  No:  (*if yes, attach documents evidencing assignment*)

If Yes, Full Legal Name of Original Claimant(s):

**II. PROOF OF CLAIM:**

1. I, \_\_\_\_\_  
(*name of Claimant or Representative of the Claimant*), of \_\_\_\_\_

\_\_\_\_\_ do hereby certify:  
(*city and province*)

(a) that I [*check (√) one*]

am the Claimant; OR

am \_\_\_\_\_ (state position or title) of

\_\_\_\_\_  
(name of Claimant)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) that one or more of the Payless Canada Entities and/or the Directors/Officers of the Payless Canada Entities were and still are indebted to the Claimant as follows:<sup>1</sup>

Debtor	Prefiling Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Payless ShoeSource Canada Inc.			
Payless ShoeSource Canada GP Inc.			
Payless ShoeSource Canada LP			
Directors and Officers of the Payless Canada Entities  _____			
(insert names above)			

Debtor	Restructuring Period Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Payless ShoeSource Canada Inc.			
Payless ShoeSource Canada GP Inc.			
Payless ShoeSource Canada LP			
Directors and Officers of the Payless Canada Entities  _____			
(insert names above)			

<sup>1</sup> (Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada daily average exchange rate for February 19, 2019. The Canadian Dollar/U.S. Dollar daily average exchange rate on that date was CAD\$1/USD\$1.323.)



**III. PARTICULARS OF CLAIM**

The particulars of the undersigned's total Claim (including Prefiling Claims, Restructuring Period Claims and Director/Officer Claims) are attached.

*(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. Include the relevant store location and number if applicable. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against them.)*

**IV. FILING OF CLAIM**

For **Prefiling Claims and all Director/Officer Claims**, this Proof of Claim must be received by the Monitor **before 11:59 p.m. (Central Time) on June 7, 2019** (the “**Claims Bar Date**”).

For **Restructuring Period Claims**, this Proof of Claim must be received by the Monitor **before 11:59 p.m. (Central Time) on the date that is the later of: (i) the Claims Bar Date and (ii) thirty (30) days after the date on which the Monitor sends a Claim Document Package with respect to a Restructuring Period Claim** (the “**Restructuring Period Claims Bar Date**”).

In both cases, completed forms must be delivered by prepaid ordinary mail, courier, personal delivery or electronic transmission at the following address:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101

E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

**Failure to file your Proof of Claim as directed by the Claims Bar Date or Restructuring Period Claims Bar Date, as applicable, will result in your Claim being extinguished and barred and in you being prevented from making or enforcing a Claim against the applicable Payless Canada Entities or Director/Officer, as applicable.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Signature of Claimant